

MAR - 5 2015

# SENATE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT AN ANALYSIS OF THE NEED FOR  
THE LICENSING AND REGULATION OF TRANSIENT VACATION RENTALS.

1 WHEREAS, section 26H-6, Hawaii Revised Statutes, requires  
2 that new regulatory measures being considered for enactment be  
3 referred to the Auditor for analysis; and  
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5 WHEREAS, the analysis is to consider the probable effects  
6 of the proposed regulatory measure and assess whether its  
7 enactment is consistent with the policies set forth in section  
8 26H-2, Hawaii Revised Statutes, which include:  
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10 (1) Assessment of the reasonable necessity of the  
11 regulation to protect the health, safety, or welfare  
12 of consumers of the service; and  
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14 (2) Determination of whether regulation in the form of  
15 full licensure or other restrictions shall be retained  
16 or adopted when health, safety, or welfare of the  
17 consumer may be jeopardized by the nature of the  
18 service being offered; and  
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20 WHEREAS, the Hawaii Tourism Authority contracted a study by  
21 SMS Research & Marketing Services, Inc., to:  
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23 (1) Research the evolving use of visitor accommodations in  
24 Hawaii;  
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26 (2) Understand the impact of internet distribution  
27 channels and the shared economy on the availability  
28 and use of visitor accommodations;  
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30 (3) Determine the number of lodging units in Hawaii; and  
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(4) Quantify how these changes affect Hawaii's lodging supply; and

WHEREAS, the SMS study identified 22,238 individually advertised units in Hawaii; and

WHEREAS, the Honolulu Star-Advertiser in December 2014 published a series on the proliferation of vacation rentals titled "Rogue Rentals" that reported:

(1) The rising vacation rental market and the "proliferation of mostly illegal vacation rentals" in areas beyond Waikiki that is "pitting neighbor against neighbor";

(2) Ineffective and arbitrary enforcement policies which has exacerbated disputes between neighborhood residents and vacation rental owners; and

(3) A push for better regulations on the vacation rental market to avoid the potential loss of millions of dollars of State tax revenues from homeowners not paying the required taxes and the increased victimization of tourists by bogus transient vacation rental scammers who are likely to escape prosecution because these out-of-state crimes are out of the State's jurisdiction; and

WHEREAS, H.B. No. 825 and S.B. No. 1237 (2015), propose to regulate transient vacation rentals by establishing statutory requirements for the licensing and regulation of transient vacation rentals; and

WHEREAS, the regulation of transient vacation rentals proposed by the bills require analysis by the Auditor pursuant to section 26H-6, Hawaii Revised Statutes; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-eighth Legislature of the State of Hawaii, Regular Session of 2015, the House of Representatives concurring, that the Auditor, in collaboration with the Department of Taxation, and Hawaii Tourism Authority is requested to conduct an analysis of the



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1 regulatory scheme as proposed by H.B. No. 825 and S.B. 1237  
2 (2015), pursuant to section 26H-6, Hawaii Revised Statutes; and  
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4 BE IT FURTHER RESOLVED that the Auditor is requested to  
5 consider data and other information gathered in prior studies of  
6 this issue, including those contracted by the Hawaii Tourism  
7 Authority and other relevant agencies; and  
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9 BE IT FURTHER RESOLVED that the Auditor is further  
10 requested to submit findings and recommendations, including any  
11 proposed legislation, to the Legislature no later than twenty  
12 days prior to the convening of the Regular Session of 2016; and  
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14 BE IT FURTHER RESOLVED that certified copies of this  
15 Concurrent Resolution be transmitted to the Auditor; Director of  
16 Taxation; the Chair of the Hawaii Tourism Authority Board of  
17 Directors; and the President and Chief Executive Officer of the  
18 Hawaii Tourism Authority.  
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OFFERED BY: 

